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PRACTICAL
© OBSERVATIONS
ON THE
BRITISH WEST INDIA
SUGAR TRADE
1822

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8/6
Cont. 195-379

PRACTICAL
OBSERVATIONS

ON THE

BRITISH WEST INDIA

SUGAR TRADE.

By

THOMAS FRED. J. H. HUGHES, ESQ.,

OF THE

LONDON.

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PRACTICAL

OBSERVATIONS.



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A period of great difficulty and distress is again experienced by the West India Proprietors; and, did it arise from the ordinary fluctuations of trade, the remedy might be left to its own operation. Since the years 1806 and 1807, when the sufferings of the West India Trade called for Parliamentary inquiry, even with all the benefits of reduced freight and insurance, there has been no period of depression to be compared with the result

MERCHANT, Printer, Ingram-Court, Fenchurch-Street.

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MARSHALL, Printer, Strand, London.

of the sales of last year nor has this state of affairs arisen from temporary causes, but from a growing and permanent evil, which the British West India Colonist could neither avert nor retard.

It must be admitted, in the present state of the country, no one class ought to be benefitted at the expense of another but if it can be shown that the distress of the West India Planter may be alleviated without injustice to the consumer, or any great public sacrifice, it is surely entitled to consideration and assistance.

It may, however, be asked, why the case of the West India Planter calls for consideration and assistance more than any other class of the community? The answer is, that, as a proprietor and cultivator of the soil, his situation is peculiarly different from every other: and if he has

Such was the state of the British West India Colonies when the abolition of the Slave Trade took place, from which time there has been no increase in their production; and, without questioning the wisdom and humanity of that measure, the effects it has subsequently produced on the West India interest may be fairly considered. In the first place, it operated as an encouragement to those foreign colonies in which that traffic was still continued: by withdrawing the competition of the British Planter, they were enabled to obtain a cheap and unlimited supply of slaves, and an impulse was given to the cultivation of the more fertile soils of Cuba and Brazil, which have been since progressively advancing till they have attained an extent and cheapness of production which renders a direct competition with them utterly ruinous. Although it is admitted that the consumer

From this competition, however, the British Planter is so situated that he can not altogether retire; his capital is sunk, and, as it were, immoveably fixed to the soil he occupies; the removal of his negroes to more fertile situations being prohibited; and, whilst other cultivators can equalize the expenses of labour and cultivation to the value of the produce, the British West India Cultivator must submit to inevitable expenses, and support, at his own charge, under every circumstance, a population in the proportion of two hundred persons to an extent of soil of little more than double that number of acres, however great the loss may be to him.

Cuba and Brazil, which have been since progressively advancing till they have attained an extent and cheapness of production of the duty of 27s. per cwt. in proportion to the reduced price; and, although it is admitted that the consumer

pay the duty in the price he gives for it cannot be disputed that a duty may be too excessive as to prohibit consumption altogether, and, upon the same principle, the tendency of a heavy duty to limit consumption, by enhancing the price, is evident: for instance, the consumption of oil in 1881, compared with the average consumption from 1876 to 1877, has increased about 50 per cent, in the same time, the price has declined so low that the consumption has increased to the extent of 40 per cent, with only an increased consumption induced by a fall of 25 per cent, in the selling price.

In 1806, a large surplus stock of sugar was accumulated in this country, and could not be disposed of till the price fell to a low level, and the surplus was then sold at a profit in the foreign markets, which, under cover of the Ame-

Continent was enjoyed by it to the peace in 1814: independently of this circumstance, the low prices in 1806 and 1807 somewhat diminished the supply from our own colonies; and, aided by the use of sugar in the distilleries, the price advanced considerably the end of 1808, the gloom was dissipated, and prosperity succeeded. Now, on looking to the present state of the Sugar Market, the contingent and casual circumstances, which operated to remove the distress loudly complained of in 1806 and 1807, do not apply; but, as to the leading fact and cause of depression, the case is precisely the same—That, in the disposal of our surplus stock, we are undersold in the continental markets by the foreign grower.

In order to obtain a correct view of the extent and effect of this evil, the



Government was employed by it to the purpose of the following statements must be first considered: independently of this circumstance:

the low prices in 1806 and 1807 some what diminished the supply from our own colonies; and, aided by the use of sugar, the price advanced. **Average Annual Importation, Exportation, and Consumption, of British Plantation Sugar in GREAT BRITAIN, in 1821 and for Six Years preceding**

	Raw	Refined	Consumed.
1815	1,001,000	375,000	1,376,000
1816	1,001,000	375,000	1,376,000
1817	1,001,000	375,000	1,376,000
1818	1,001,000	375,000	1,376,000
1819	1,001,000	375,000	1,376,000
1820	1,001,000	375,000	1,376,000
1821	1,001,000	375,000	1,376,000
1822	1,001,000	375,000	1,376,000
1823	1,001,000	375,000	1,376,000
1824	1,001,000	375,000	1,376,000
1825	1,001,000	375,000	1,376,000
1826	1,001,000	375,000	1,376,000
1827	1,001,000	375,000	1,376,000
1828	1,001,000	375,000	1,376,000
1829	1,001,000	375,000	1,376,000
1830	1,001,000	375,000	1,376,000
1831	1,001,000	375,000	1,376,000
1832	1,001,000	375,000	1,376,000
1833	1,001,000	375,000	1,376,000
1834	1,001,000	375,000	1,376,000
1835	1,001,000	375,000	1,376,000
1836	1,001,000	375,000	1,376,000
1837	1,001,000	375,000	1,376,000
1838	1,001,000	375,000	1,376,000
1839	1,001,000	375,000	1,376,000
1840	1,001,000	375,000	1,376,000
1841	1,001,000	375,000	1,376,000
1842	1,001,000	375,000	1,376,000
1843	1,001,000	375,000	1,376,000
1844	1,001,000	375,000	1,376,000
1845	1,001,000	375,000	1,376,000
1846	1,001,000	375,000	1,376,000
1847	1,001,000	375,000	1,376,000
1848	1,001,000	375,000	1,376,000
1849	1,001,000	375,000	1,376,000
1850	1,001,000	375,000	1,376,000
1851	1,001,000	375,000	1,376,000
1852	1,001,000	375,000	1,376,000
1853	1,001,000	375,000	1,376,000
1854	1,001,000	375,000	1,376,000
1855	1,001,000	375,000	1,376,000
1856	1,001,000	375,000	1,376,000
1857	1,001,000	375,000	1,376,000
1858	1,001,000	375,000	1,376,000
1859	1,001,000	375,000	1,376,000
1860	1,001,000	375,000	1,376,000
1861	1,001,000	375,000	1,376,000
1862	1,001,000	375,000	1,376,000
1863	1,001,000	375,000	1,376,000
1864	1,001,000	375,000	1,376,000
1865	1,001,000	375,000	1,376,000
1866	1,001,000	375,000	1,376,000
1867	1,001,000	375,000	1,376,000
1868	1,001,000	375,000	1,376,000
1869	1,001,000	375,000	1,376,000
1870	1,001,000	375,000	1,376,000
1871	1,001,000	375,000	1,376,000
1872	1,001,000	375,000	1,376,000
1873	1,001,000	375,000	1,376,000
1874	1,001,000	375,000	1,376,000
1875	1,001,000	375,000	1,376,000
1876	1,001,000	375,000	1,376,000
1877	1,001,000	375,000	1,376,000
1878	1,001,000	375,000	1,376,000
1879	1,001,000	375,000	1,376,000
1880	1,001,000	375,000	1,376,000
1881	1,001,000	375,000	1,376,000
1882	1,001,000	375,000	1,376,000
1883	1,001,000	375,000	1,376,000
1884	1,001,000	375,000	1,376,000
1885	1,001,000	375,000	1,376,000
1886	1,001,000	375,000	1,376,000
1887	1,001,000	375,000	1,376,000
1888	1,001,000	375,000	1,376,000
1889	1,001,000	375,000	1,376,000
1890	1,001,000	375,000	1,376,000
1891	1,001,000	375,000	1,376,000
1892	1,001,000	375,000	1,376,000
1893	1,001,000	375,000	1,376,000
1894	1,001,000	375,000	1,376,000
1895	1,001,000	375,000	1,376,000
1896	1,001,000	375,000	1,376,000
1897	1,001,000	375,000	1,376,000
1898	1,001,000	375,000	1,376,000
1899	1,001,000	375,000	1,376,000
1900	1,001,000	375,000	1,376,000

A very small proportion of the refined and nearly the whole of the raw sugar exported to the West Indies, in order to obtain a correct view for the last four years have been sent to the West Indies, which, with the direct supply,

(about 10,000 Hogsheads) making the consumption of Ireland..... hhd. 100,000

East India Brazil Havannah
Consumption of Great Britain;
and Average Price, exclusive of
Duty.

1815 to 1817	Price. 10 to 12 53 per cwt.	Consumed. 10 to 12 153,000	Comparative decrease in price
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1815 to 1817	Refined ex Bonaire 43 Single.	Raw 180,081 Gazette average.	1815 to 1817
1815 to 1817	40 to 42	38 : 38	100,000
1815 to 1817	41 to 43	38 : 38	100,000
1815 to 1817	31 to 33	38 : 38	100,000

It appears, then, that the total consumption of the United Kingdom, in 1821, was 216,000

Against an importation of 200,000
 Leaving a surplus of 16,000

Now sugar appears to be in great demand (all having taken place principally on the 1st of Oct. each year) and it has not been more than 100,000 cwt. since the 1st of Oct. each year. The foreign growth of the price of the refined sugar has been 100,000 cwt. since the 1st of Oct. each year.

year as a period of comparison for these

years.....

	Havannah.	Brazil.	East India.
1810	20 to 22	20 to 22	20 to 22
1820	20 to 22	20 to 22	20 to 22
1821	24 to 44	18 to 38	14 to 40

Comparative decrease in price.	10 to 14	10 to 12	8
	Consumed.	Price.	
	000,081	28 per cwt.	

BRITISH.

	Raw 000,081 Gazette average.	Refined or Bount Single.	Duty
1810	36 : 6	40 to 60	66 to 80
1820	36 : 3	41 to 66	68 to 80
1821	36 : 6	31 to 56	80 to 98

Comparative decrease in	6 : 0	9 to 10	6 to 12

United Kingdom, in 1821, was

in this comparison the average fall in

raw sugar appears 6s. per cwt., but the

fall having taken place principally on the

fine qualities; it has not been more than

4s. per cwt. generally on the qualities

used by the refiners; whereas refined sugar

has declined in the same time 10a per cwt. on an average price, which shows that the weight of the competition, in the disposal of our surplus, has been borne principally by the refiners, whose market has been affected exactly in proportion to the decline in the prices of foreign sugar, a great part of which is imported in a white and purified state; for, had our surplus been exported in a raw state, instead of a refined, it could not, last year, have found a market abroad at so high a price by 8s per cwt. as was obtained for it through the medium of the refiners.

Unwilling to abandon all trade in which they had been long engaged, led on by hope of some favourable change, and with a large capital embarked in a manufactory, in which stagnation is certain loss, the refiners have struggled unavailingly, for three years, against increasing

difficulties, at a great sacrifice of property, till, at length, they seem to be declining the contest, in complete despair of success.

To this state of the trade, the West India Proprietors should look with the deepest apprehension; for, difficult as their case is, they may be assured, the superior skill, large capitals, and establishments of the British refiners are the best securities they can look back on, to resist a blow likely that a greater facility of intercourse with markets already abundantly supplied with sugar from more prolific sources, at a price of 25 per cent. under what they can afford to sell at, will be of benefit to the British Planters. And, unless a sacrifice is made in the whole surplus, where would be the advantage of sending a part, which, by augmenting the supply, would tend to depress prices in those markets and

render the competition in the disposal of the remainder still more ruinous and difficult.

The truth is, that, in a raw state, the large *surplus* produce of our sugar colonies is no where wanted; and, if not refined in this country, it must undergo that process in some other, to adapt it to the demand; and the Planter has simply to decide whether the British or foreign refiner can do it on the best terms. With respect to this important question, the facts are obvious, that, for some years, the British refiner has given more than could be obtained abroad, particularly last year; and, although he cannot work against a difference of 25 per cent. which was then the case, there is no doubt he can compete successfully with the foreign refiner, and afford a higher price to the Planter of from 10 to 15 per cent. (the

home consumer an ample supply of sugar at a fair moderate price, by discouraging the export when the price is high: and it is now thrown out for the judgement of those interested in the prosperity of the West India Trade, whether, by *reverting* to a scale of bounties, on the same principle, though not to the same extent, as the one preceding 1816, the ruin of many may not be averted and the sufferings of the whole alleviated:

For example, if the Gazette average price shall not exceed

		36, per cwt. 56s. bounty			
„	36,	to	40,	„	54s. „
„	40,	„	44,	„	50s. „
„	44,	„	48,	„	46s. „
„	48,	„	54,	„	42s. „
„	54,	„	60,	„	38s. „
„	60,	„	65,	„	36s. „
„	65, and upwards,			none.	

Double refined 8s. more.

When the present bounty of 46s. per cwt. was fixed, in 1816, the average price was 52s. per cwt.; last year it did not exceed 32s.

The probable effect of this scale of bounty would be to fix it, *for a time*, 8s. per cwt. higher than at present, and thereby afford an aid to the Planter, at a charge of about £240,000 out of a clear revenue, raised on West India sugar, amounting to £3,750,000 ; nor would this measure impose on the consumer an unfair or exorbitant price, but, on the contrary, it would, in the event of a failure of crop, or any other contingency, protect him against it—the medium price for the increase of bounty of 8s. per cwt. *being no higher than the very moderate average price of 65s. per cwt. duty paid, to the consumer.*

The advantage to the Planter, however, would be very important. It should be remarked that there is no want of demand or accumulation of stock, the whole importation of sugar having been taken

off in the course of the year; it is the low price the foreign grower sells at which depresses the markets for our surplus, that is complained of, *the effect being to lower the price on the whole importation to the same level, the surplus always weighing on the market till it comes down to the price the foreign buyer will give for it.*

Now, the additional bounty of 8s. per cwt. would enable the refiner to give so much more to the Planter for his surplus than he otherwise could afford to do, be that price what it may, and maintain a corresponding improvement in the general market, which, on an importation of 293,000 hogsheads, would make a difference in the nett proceeds of £1,500,000 in favour of the West India Proprietors. It, however, may be supposed that this is a mere temporary expedient, and the foreign grower would continue to increase his growth and still

undersell us in the foreign markets; but this is not so clear: for, notwithstanding the high advantages he possesses over the British Planter, there is a point at which it must cease to be profitable to him to cultivate sugar; and, from the statements that have been given at different times, respecting the actual colonial charges for raising sugar in the most favourable situations, the price is now so low that it yields little or no encouragement to increase the cultivation. The effect of the additional bounty proposed would be to keep it in check, and, by limiting the extension of growth in the foreign colonies, more effectually to prevent the Slave Trade, by removing the temptation to carry it on, than by any prohibitory penal enactments.

Should, however, the relief suggested not be obtained, the growth of sugar in our West India Colonies must be limited to

the home demand, which will raise the price to the consumer, occasion a loss to British shipping of a large part of the present freight, and diminish, to the same extent, the profit derived to this country from the commercial charges and export-trade to these colonies, whilst it will encourage the foreign colonists to extend their plantations to make up the deficiency which will be experienced in the continental markets by the extinction of the supply from this country, and cause them to flourish on the ruin of a large portion of the British West India Trade, and of the refinery of this country.

THE END.





